



Director of
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PERU-US: Presidential Visit Canceled

//President Belaunde probably canceled the visit to the US he was scheduled to begin on Monday because he believes an unreciprocated visit coinciding with unfavorable US action on some contentious trade matters would damage his position. Peruvian officials had expressed concern about an expected unfavorable decision on countervailing duties on Peruvian textile imports, which is due by 12 November.

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Comment: //The imposition of countervailing duties during or shortly after Belaunde's visit to the US would have embarrassed the Peruvian leader. The cancellation may actually benefit bilateral relations. At a minimum, the trade issue will be denied the visibility it would have been accorded in a state visit.

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ECUADOR: President's Problems Continue

//The government has settled the transport workers' strike and is trying to placate other unions, but a general strike is still scheduled for Monday and a police walkout is possible this weekend.//

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Comment: //The transport settlement and President Hurtado's other concessions--a reduction in the gasoline price hike and an increase in minimum wages--have undercut labor's position somewhat. The general strike is likely to receive uneven support or may be averted through compromise. If the police insist on higher wages, Hurtado probably will yield quickly to avoid relying exclusively on the Army to maintain order.

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IRELAND: Vote of Confidence

//Prime Minister Haughey has only a slim chance of winning the parliamentary vote of confidence today, and a general election is likely. Polls indicate that the opposition Fine Gael party, led by Garret FitzGerald, has pulled even with the ruling Fianna Fail and that FitzGerald is running far ahead of Haughey.//

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Comment: //Haughey's effort to turn the economy around with stringent new policies has lost his minority government the support of the small Workers Party that helped keep him in power. He is unlikely to obtain enough ballots from independent deputies to compensate for this loss, although he often makes extravagant promises to secure votes. Haughey already faces considerable dissatisfaction in his own party, and a defeat today could spell the end of his leadership. In view of Fianna Fail's current unpopularity and Fine Gael's inability to muster more than a plurality of votes, a new election probably would result in another minority government.//

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MADAGASCAR: Presidential Election

The election on Sunday pits leftist President Ratsiraka against a radical populist, Monja Jaona. Since becoming President in 1975, Ratsiraka has moved Madagascar closer to the USSR and to the radical nonaligned states. Recently, however, he has begun to seek pragmatic solutions to economic problems and better relations with the US and other Western countries. Ratsiraka is allowing a reasonably open election in the hope of obtaining a mandate to continue putting into effect austerity measures required by the IMF.

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Comment: Although Ratsiraka is strongly favored to win, he may stuff the ballot box to assure a substantial majority. A large number of abstentions could limit the President's tally to less than 50 percent of registered voters, forcing a runoff two weeks later.

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Special Analysis

LEBANON: Problems With the Phalange Militia

Six weeks after President Jumayyil's inauguration, leaders of the powerful militia associated with his Christian Phalange party appear increasingly displeased with his performance. The militia commander last week publicly challenged the President's authority by announcing that his forces would not lay down their arms until Syrian and Palestinian forces had left the country. For the near term Jumayyil will rely on the presence of the multinational force and US backing to ensure his political survival.

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Trouble has been brewing for some time between Jumayyil, who has pledged to disband all extralegal military forces, and the Phalange militia leaders. The militia chief's refusal to disarm his approximately 3,000 regulars and 15,000 reservists underscores the fact that the military wing of the President's party is an independent political force.

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The leaders of the militia had been intensely loyal to Jumayyil's late brother, Bashir, who headed the militia for years and made it a power in its own right. The militia commander, Fadi Ferm, and other disciples of Bashir believe that the President represents the corrupt politics of the older generation and fear that he will be a less vigorous defender of Maronite interests. They also have criticized his overtures to Sunni Muslim leaders and to other political factions formerly allied with the PLO.

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Divisive Issues

The most serious issue dividing Jumayyil and the militiamen is the future of Lebanese-Israeli relations. Many militia leaders believe the government should bow to Tel Aviv's desire and conclude a formal peace treaty with Israel quickly. Since the beginning of the Lebanese civil war in 1975, the Israelis have been a primary supplier of arms to the militia, and militia leaders almost certainly want this support to continue.

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The Israelis probably view good relations with the militia as the most effective way of influencing Lebanese politics. Jumayyil is determined, however, to steer a more independent course in the hope of winning Arab political and financial support. For now, he is wary of close ties with Tel Aviv.

Muslims uniformly oppose a formal peace treaty with Israel. As a result, any move by the Christian militia to railroad the government into signing a treaty is likely to lead to renewed civil strife.

Militia extremists, however, are unconcerned by Muslim opposition. They probably believe their superior military strength will keep dissenters under control. They are more interested in advancing Maronite hegemony throughout the country than in forging a reconciliation with other religious and political factions.

Outlook

Militia leaders may believe that they will eventually be able to bring Jumayyil around to their way of thinking. If they become convinced this is not possible, however, they might consider mounting a coup against him.

Jumayyil has made efforts to win favor with the militia chiefs and has yielded to several of their policy suggestions. He also has agreed to retain many of Bashir's former advisers. In return, the militia has permitted a token deployment of Lebanese Army units in east Beirut.

The President is likely to defer any move to force the militia leaders to submit to government authority and to try to redirect their attention toward the Palestinians. The militia's involvement in the massacre of Palestinian civilians in September suggests it would be willing to support any unofficial effort to encourage the large number of Palestinians still in Lebanon to leave the country.

Ultimately, Jumayyil is counting on the presence of an expanded multinational force and strong US support for stability in Lebanon to protect him from what amounts to his most serious internal threat. Until Jumayyil has a military base sufficiently powerful to counter the militia, it will remain a dangerous force in Lebanese politics.

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